

ESHB 2060 - S COMM AMD

By Committee on Health & Long-Term Care

1 Strike everything after the enacting clause and insert the
2 following:

3 "Sec. 1. RCW 48.41.100 and 2001 c 196 s 3 are each amended to read
4 as follows:

5 (1) The following persons who are residents of this state are
6 eligible for pool coverage:

7 (a) Any person who provides evidence of a carrier's decision not to
8 accept him or her for enrollment in an individual health benefit plan
9 as defined in RCW 48.43.005, or of the health care authority
10 administrator's decision not to accept him or her for enrollment in the
11 basic health plan as a nonsubsidized enrollee, based upon, and within
12 ninety days of the receipt of, the results of the standard health
13 questionnaire designated by the board and administered by health
14 carriers under RCW 48.43.018 or the administrator of the health care
15 authority under section 3 of this act;

16 (b) Any person who continues to be eligible for pool coverage based
17 upon the results of the standard health questionnaire designated by the
18 board and administered by the pool administrator pursuant to subsection
19 (3) of this section;

20 (c) Any person who resides in a county of the state where no
21 carrier or insurer eligible under chapter 48.15 RCW offers to the
22 public an individual health benefit plan other than a catastrophic
23 health plan as defined in RCW 48.43.005 at the time of application to
24 the pool, and who makes direct application to the pool; and

25 (d) Any medicare eligible person upon providing evidence of
26 rejection for medical reasons, a requirement of restrictive riders, an
27 up-rated premium, or a preexisting conditions limitation on a medicare
28 supplemental insurance policy under chapter 48.66 RCW, the effect of
29 which is to substantially reduce coverage from that received by a
30 person considered a standard risk by at least one member within six
31 months of the date of application.

32 (2) The following persons are not eligible for coverage by the
33 pool:

1 (a) Any person having terminated coverage in the pool unless (i)
2 twelve months have lapsed since termination, or (ii) that person can
3 show continuous other coverage which has been involuntarily terminated
4 for any reason other than nonpayment of premiums. However, these
5 exclusions do not apply to eligible individuals as defined in section
6 2741(b) of the federal health insurance portability and accountability
7 act of 1996 (42 U.S.C. Sec. 300gg-41(b));

8 (b) Any person on whose behalf the pool has paid out one million
9 dollars in benefits;

10 (c) Inmates of public institutions and persons whose benefits are
11 duplicated under public programs. However, these exclusions do not
12 apply to eligible individuals as defined in section 2741(b) of the
13 federal health insurance portability and accountability act of 1996 (42
14 U.S.C. Sec. 300gg-41(b));

15 (d) Any person who resides in a county of the state where any
16 carrier or insurer regulated under chapter 48.15 RCW offers to the
17 public an individual health benefit plan other than a catastrophic
18 health plan as defined in RCW 48.43.005 at the time of application to
19 the pool and who does not qualify for pool coverage based upon the
20 results of the standard health questionnaire, or pursuant to subsection
21 (1)(d) of this section.

22 (3) When a carrier or insurer regulated under chapter 48.15 RCW
23 begins to offer an individual health benefit plan in a county where no
24 carrier had been offering an individual health benefit plan:

25 (a) If the health benefit plan offered is other than a catastrophic
26 health plan as defined in RCW 48.43.005, any person enrolled in a pool
27 plan pursuant to subsection (1)(c) of this section in that county shall
28 no longer be eligible for coverage under that plan pursuant to
29 subsection (1)(c) of this section, but may continue to be eligible for
30 pool coverage based upon the results of the standard health
31 questionnaire designated by the board and administered by the pool
32 administrator. The pool administrator shall offer to administer the
33 questionnaire to each person no longer eligible for coverage under
34 subsection (1)(c) of this section within thirty days of determining
35 that he or she is no longer eligible;

36 (b) Losing eligibility for pool coverage under this subsection (3)
37 does not affect a person's eligibility for pool coverage under
38 subsection (1)(a), (b), or (d) of this section; and

1 (c) The pool administrator shall provide written notice to any
2 person who is no longer eligible for coverage under a pool plan under
3 this subsection (3) within thirty days of the administrator's
4 determination that the person is no longer eligible. The notice shall:
5 (i) Indicate that coverage under the plan will cease ninety days from
6 the date that the notice is dated; (ii) describe any other coverage
7 options, either in or outside of the pool, available to the person;
8 (iii) describe the procedures for the administration of the standard
9 health questionnaire to determine the person's continued eligibility
10 for coverage under subsection (1)(b) of this section; and (iv) describe
11 the enrollment process for the available options outside of the pool.

12 **Sec. 2.** RCW 70.47.020 and 2004 c 192 s 1 are each amended to read
13 as follows:

14 As used in this chapter:

15 (1) "Washington basic health plan" or "plan" means the system of
16 enrollment and payment for basic health care services, administered by
17 the plan administrator through participating managed health care
18 systems, created by this chapter.

19 (2) "Administrator" means the Washington basic health plan
20 administrator, who also holds the position of administrator of the
21 Washington state health care authority.

22 (3) "Health coverage tax credit program" means the program created
23 by the Trade Act of 2002 (P.L. 107-210) that provides a federal tax
24 credit that subsidizes private health insurance coverage for displaced
25 workers certified to receive certain trade adjustment assistance
26 benefits and for individuals receiving benefits from the pension
27 benefit guaranty corporation.

28 (4) "Health coverage tax credit eligible enrollee" means individual
29 workers and their qualified family members who lose their jobs due to
30 the effects of international trade and are eligible for certain trade
31 adjustment assistance benefits; or are eligible for benefits under the
32 alternative trade adjustment assistance program; or are people who
33 receive benefits from the pension benefit guaranty corporation and are
34 at least fifty-five years old.

35 (5) "Managed health care system" means: (a) Any health care
36 organization, including health care providers, insurers, health care
37 service contractors, health maintenance organizations, or any
38 combination thereof, that provides directly or by contract basic health

1 care services, as defined by the administrator and rendered by duly
2 licensed providers, to a defined patient population enrolled in the
3 plan and in the managed health care system; or (b) a self-funded or
4 self-insured method of providing insurance coverage to subsidized
5 enrollees provided under RCW 41.05.140 and subject to the limitations
6 under RCW 70.47.100(7).

7 (6) "Subsidized enrollee" means an individual, or an individual
8 plus the individual's spouse or dependent children: (a) Who is not
9 eligible for medicare; (b) who is not confined or residing in a
10 government-operated institution, unless he or she meets eligibility
11 criteria adopted by the administrator; (c) who resides in an area of
12 the state served by a managed health care system participating in the
13 plan; (d) whose gross family income at the time of enrollment does not
14 exceed two hundred percent of the federal poverty level as adjusted for
15 family size and determined annually by the federal department of health
16 and human services; and (e) who chooses to obtain basic health care
17 coverage from a particular managed health care system in return for
18 periodic payments to the plan. To the extent that state funds are
19 specifically appropriated for this purpose, with a corresponding
20 federal match, "subsidized enrollee" also means an individual, or an
21 individual's spouse or dependent children, who meets the requirements
22 in (a) through (c) and (e) of this subsection and whose gross family
23 income at the time of enrollment is more than two hundred percent, but
24 less than two hundred fifty-one percent, of the federal poverty level
25 as adjusted for family size and determined annually by the federal
26 department of health and human services.

27 (7) "Nonsubsidized enrollee" means an individual, or an individual
28 plus the individual's spouse or dependent children: (a) Who is not
29 eligible for medicare; (b) who is not confined or residing in a
30 government-operated institution, unless he or she meets eligibility
31 criteria adopted by the administrator; (c) who, under section 3 of this
32 act, is not required to complete the standard health questionnaire or
33 does not qualify for coverage under the Washington state health
34 insurance pool based upon the results of the standard health
35 questionnaire; (d) who resides in an area of the state served by a
36 managed health care system participating in the plan; ~~((d))~~ (e) who
37 chooses to obtain basic health care coverage from a particular managed
38 health care system; and ~~((e))~~ (f) who pays or on whose behalf is paid

1 the full costs for participation in the plan, without any subsidy from
2 the plan.

3 (8) "Subsidy" means the difference between the amount of periodic
4 payment the administrator makes to a managed health care system on
5 behalf of a subsidized enrollee plus the administrative cost to the
6 plan of providing the plan to that subsidized enrollee, and the amount
7 determined to be the subsidized enrollee's responsibility under RCW
8 70.47.060(2).

9 (9) "Premium" means a periodic payment(~~(, based upon gross family~~
10 ~~income))~~ which an individual, their employer or another financial
11 sponsor makes to the plan as consideration for enrollment in the plan
12 as a subsidized enrollee, a nonsubsidized enrollee, or a health
13 coverage tax credit eligible enrollee.

14 (10) "Rate" means the amount, negotiated by the administrator with
15 and paid to a participating managed health care system, that is based
16 upon the enrollment of subsidized, nonsubsidized, and health coverage
17 tax credit eligible enrollees in the plan and in that system.

18 NEW SECTION. **Sec. 3.** A new section is added to chapter 70.47 RCW
19 to read as follows:

20 (1) Except as provided in (a) through (e) of this subsection, the
21 administrator shall require any person seeking enrollment in the basic
22 health plan as a nonsubsidized enrollee to complete the standard health
23 questionnaire designated under chapter 48.41 RCW.

24 (a) If a person is seeking enrollment in the basic health plan as
25 a nonsubsidized enrollee due to his or her change of residence from one
26 geographic area in Washington state to another geographic area in
27 Washington state where his or her current health plan is not offered,
28 completion of the standard health questionnaire shall not be a
29 condition of coverage if application for coverage is made within ninety
30 days of relocation.

31 (b) If a person is seeking enrollment in the basic health plan as
32 a nonsubsidized enrollee:

33 (i) Because a health care provider with whom he or she has an
34 established care relationship and from whom he or she has received
35 treatment within the past twelve months is no longer part of the
36 provider network under his or her existing Washington individual health
37 benefit plan; and

1 (ii) His or her health care provider is part of a managed health
2 care system's provider network; and

3 (iii) Application for enrollment in the basic health plan as a
4 nonsubsidized enrollee under that managed health care system's provider
5 network is made within ninety days of his or her provider leaving the
6 previous carrier's provider network; then completion of the standard
7 health questionnaire shall not be a condition of coverage.

8 (c) If a person is seeking enrollment in the basic health plan as
9 a nonsubsidized enrollee due to his or her having exhausted
10 continuation coverage provided under 29 U.S.C. Sec. 1161 et seq.,
11 completion of the standard health questionnaire shall not be a
12 condition of coverage if application for coverage is made within ninety
13 days of exhaustion of continuation coverage. The administrator shall
14 accept an application without a standard health questionnaire from a
15 person currently covered by such continuation coverage if application
16 is made within ninety days prior to the date the continuation coverage
17 would be exhausted and the effective date of the basic health plan
18 coverage applied for is the date the continuation coverage would be
19 exhausted, or within ninety days thereafter.

20 (d) If a person is seeking enrollment in the basic health plan as
21 a nonsubsidized enrollee due to his or her receiving notice that his or
22 her coverage under a conversion contract is discontinued, completion of
23 the standard health questionnaire shall not be a condition of coverage
24 if application for coverage is made within ninety days of
25 discontinuation of eligibility under the conversion contract. The
26 administrator shall accept an application without a standard health
27 questionnaire from a person currently covered by such conversion
28 contract if application is made within ninety days prior to the date
29 eligibility under the conversion contract would be discontinued and the
30 effective date of the basic health plan coverage applied for is the
31 date eligibility under the conversion contract would be discontinued,
32 or within ninety days thereafter.

33 (e) If a person is seeking enrollment in the basic health plan as
34 a nonsubsidized enrollee and, but for the number of persons employed by
35 his or her employer, would have qualified for continuation coverage
36 provided under 29 U.S.C. Sec. 1161 et seq., completion of the standard
37 health questionnaire shall not be a condition of coverage if: (i)
38 Application for coverage is made within ninety days of a qualifying
39 event as defined in 29 U.S.C. Sec. 1163; and (ii) the person had at

1 least twenty-four months of continuous group coverage immediately prior
2 to the qualifying event. The administrator shall accept an application
3 without a standard health questionnaire from a person with at least
4 twenty-four months of continuous group coverage if application is made
5 no more than ninety days prior to the date of a qualifying event and
6 the effective date of the basic health plan coverage applied for is the
7 date of the qualifying event, or within ninety days thereafter.

8 (2) If, based upon the results of the standard health
9 questionnaire, the person qualifies for coverage under the Washington
10 state health insurance pool, the following shall apply:

11 (a) The administrator shall not accept the person's application for
12 enrollment in the basic health plan as a nonsubsidized enrollee; and

13 (b) Within fifteen business days of receipt of a completed
14 application, the administrator shall provide written notice of the
15 decision not to accept the person's application for enrollment in the
16 basic health plan as a nonsubsidized enrollee to both the person and
17 the administrator of the Washington state health insurance pool. The
18 notice to the person shall state that the person is eligible for health
19 insurance provided by the Washington state health insurance pool, and
20 shall include information about the Washington state health insurance
21 pool and an application for such coverage. If the administrator does
22 not provide or postmark such notice within fifteen business days, the
23 application for enrollment in the basic health plan as a nonsubsidized
24 enrollee is deemed approved."

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29 On page 1, line 2 of the title, after "programs;" strike the
30 remainder of the title and insert "amending RCW 48.41.100 and
31 70.47.020; and adding a new section to chapter 70.47 RCW."

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EFFECT: Places the sections of the bill in a more appropriate
chapter in the code, and adds a cross-reference.